

**May 14, 1998**  
**Meeting**  
**Summary**

Draft  
**BDAC MEETING SUMMARY**  
**MAY 14, 1998**  
**DOUBLETREE HOTEL, REDDING**  
**9 AM - 5:30 PM**

**MEETING OUTCOMES**

- In regards to the nature of the decision on the preferred alternative, BDAC members discussed two options: 1) a preferred alternative would include new facilities; however, a decision on constructing those facilities could be dependant on whether agreed upon criteria or thresholds were met, or 2) agreement to begin implementing the Common Programs and decisions on new facilities would be based on whether certain criteria or thresholds were met.
- Primary issues of concern for Northern California interests include the need for a strong watershed management program that includes watersheds above the dams, measures to improve and maintain water quality, reliable water supply, area of origin protections, reduction in fuel loads, new storage (whether it is surface storage or methods that use innovative water management techniques), and ongoing protection of groundwater.

**1. WELCOME & CHAIR'S REPORT (Mike Madigan)**

Chair Mike Madigan convened the meeting at 9:15 AM and welcomed Bay-Delta Advisory Council (BDAC) members and members of the public. Chair Madigan announced the sudden death of Nat Bingham, habitat director for the Pacific Coast Federation of Fishermen's Associations and noted that his presence would be missed.

Chair Madigan welcomed several local elected officials and invited their comments. Supervisor Ralph Modine (Trinity County) supported the Program's intent to reinvest in source watersheds and encouraged the Program to include source counties in full partnership. Former Supervisor Arnold Whitridge (Trinity County) noted that a comprehensive solution must include the Trinity River watershed, which provides up to 1 million acre-feet to the Central Valley Project. Supervisor Lavada Erickson (Siskiyou County) stated that the Environmental Impact Report/Environmental Impact Statement (EIR/EIS) lacked adequate protections for her region. The Program should include protection for water rights in areas of origin, no agricultural land retirement in the north state, coordination with source counties for watershed management, no loss of local control, and cost-sharing for watershed management with the entire state. Supervisor Nancy Huffman (Modoc County) agreed with Supervisor Erickson's comments. Cary Wright (San Diego County Water Authority) commented that the effort to protect the Delta and manage water supply is a statewide endeavor and that southern California is prepared to fully participate. Supervisor Brent Hastey (Yuba County) agreed with the need for cost-sharing. Joe Rivero (Merced County) commented that the Board of Supervisors in his county is supportive of the needs and aims of the northern part of the state. Steve Fitch, aide to Assemblyman Tom Woods, provided comments on behalf of the Assemblyman. The Watershed Management Common Program should be strengthened as watersheds are the foundation of water supply. This means addressing the massive amounts of biomass in the upper watersheds. Watershed restoration should precede or be done in concert with construction of a Delta conveyance facility. Speaking for himself, Mr. Fitch added that there is increasing evidence to

support the concept that vegetation management can change the quantity and timing of downstream flows. CALFED can serve as a coordinator of watershed management efforts and can leverage funding for watershed restoration activities. Brian Dahle (Lassen County) noted that tree thinning and watershed reinvestment will be beneficial for streamflow timing and quality.

Lester Snow (CALFED Program Executive Director) informed BDAC that on May 11, 1998, Governor Wilson and Secretary of the Interior Babbitt decided to extend the public comment deadline for the EIR/EIS to July 1, 1998, adding 30 days to the comment period and that the Program will select a draft Preferred Alternative by the end of the year and re-circulate a revised draft, rather than final, EIR/EIS in the early part of 1999 for additional public comment. A final EIR/EIS will be published in late summer, 1999.

Vice Chair Sunne McPeak announced the availability of a letter from business leaders. She noted the business community supports the CALFED Program and also supports a voluntary water transfers market. She added that the steps taken by the Governor and the Secretary to adjust the CALFED schedule and provide for additional public comment periods were major responses to stakeholders involved in the CALFED effort.

## **2. PROGRESS ON IMPLEMENTATION STRATEGY (Lester Snow, Stein Buer)**

### **Presentation**

Lester Snow referred BDAC members to the paper "Nature of Decision/Selecting a Preferred Alternative" which was mailed separately from the BDAC meeting packets. He noted that the critical issues in this decision revolve around determining which implementation actions will come first and the subsequent timing of other actions. Stein Buer (CALFED Program staff) reviewed the paper with BDAC. He noted that the Program is basing the implementation strategy on a 30 year period beginning in 2004. Mr. Buer reviewed the examples of linkages in the paper.

### **Discussion Points**

- BDAC members Eric Hasseltine, Roberta Borgonovo and Stu Pyle asked for a clear explanation of the proposal to complete each stage prior to beginning the next. Planning and permitting of facilities will require a long lead time and some BDAC members recommended previously to allow permitting activities even if a previous stage has not been completed. Targets should be set for each stage. Additionally, the decision for a Preferred Alternative should be part of the staging.
- BDAC members Tom Graff, Ann Notthoff, Martha Davis, Mike Stearns, David Guy, Richard Izmirian, Alex Hildebrand, Mr. Pyle, Ms. Borgonovo and Vice Chair McPeak discussed the role of possible new surface storage and its relationship to water supply reliability and demand management. Several members called for clarification of whether or not new surface storage is in each alternative or whether a range of storage options are being evaluated in the Programmatic EIS/EIR. They surmised that more aggressive demand management would reduce the need for more storage. One member proposed that less water demand would also enable reduction of exports south of the Delta. Others were concerned that the supply of water has decreased due to Endangered Species Act requirements, Bay-Delta Accord requirements, and implementation of the Central Valley Project Improvement Act. Construction of new surface storage facilities is

key to replenishing this supply thereby ensuring water supply reliability, in their view. It may be possible that additional storage is desired, but funding for construction can not be secured. Ms. Borgonovo suggested "phased decision-making" where the Common Programs would be initiated and certain thresholds met prior to a decision to proceed with construction of storage and conveyance facilities. Mr. Buer noted that the nature of the decision on the Preferred Alternative is based, in part, on whether new storage will be included. Lester Snow stated that ensuring supply reliability is embedded in all parts of the Program, for example, solving Endangered Species Act concerns will improve supply reliability.

- Vice Chair McPeak commented that an implied objective of some stakeholders is the reduction of exports south of the Delta, whereas it is the Program's objective to restore the Bay-Delta system. She added that the objectives of the Common Programs will likely remain firm throughout the Program's implementation, while the objectives for storage and conveyance may be more flexible. She noted that decisions on both the Common Programs and storage and conveyance will be necessary by the end of the year.
- BDAC member Byron Buck commented that given the projected population increase of 15 million people in California, both new supply and additional water conservation will be likely. He added that it is the storage and conveyance program elements, rather than the Common Programs, that will address urban water providers concerns regarding bromides. Mr. Hildebrand commented that it was difficult to imagine, given the projected population increase, that demand for water could be reduced.
- BDAC member Hap Dunning asked for the Program's interpretation of the Governor's announcement to allocate \$10 million for project level analysis for two off-stream storage sites. He wondered if the decision on storage had been made outside of the Program. Chair Madigan suggested that this would have to be addressed to the Governor, rather than the Program staff.
- Mr. Graff commented that the Governor had removed funding for new storage facilities from the proposed water bond at the same time he announced the \$10 million for project-level analysis for two off-stream reservoirs. However since that time, Mr. Graff understood that funding for the reservoirs was now reinstated in the bond legislation.
- BDAC member Bob Raab commented that water supply development in the past has had negative economic impacts on certain parts of the economy.
- BDAC member Judith Redmond and Vice Chair McPeak discussed the Governor's proposed appropriation for a water transfers program. Some stakeholders view this as an attempt to run around the CALFED process. The proposal lacks attention to third party impacts from water transfers. The business community supports a voluntary market for short-term water transfers and may support Senate Bill 1011 (Costa) if language in the bill is appropriate. Senator Costa's bill is not the Model Water Transfers Act as some have feared. The business community supports obtaining resources to study third party impacts associated with water transfers.

- Mr. Graff and Mr. Dunning discussed with Ryan Broddrick (substituting for Jim Branham, state representative to BDAC) the proposed allocation for study of off-stream reservoirs. Mr. Broddrick was not aware of the Governor's intent regarding the proposed water bond. Mr. Broddrick informed BDAC that the California Department of Fish & Game was requested by the Governor's office to provide information for the Sites and Los Banos Grande sites, however that does not commit the administration to solely examine those sites if the budget is approved by the legislature.

### **Presentation continued**

Lester Snow provided two observations: 1) the Program must attempt to meet all four Program objectives, without prioritizing any one above the others, and 2) at the end of the process it is unlikely that anyone will view the entire package as perfectly meeting their needs and interests.

Staging the Program's implementation must address uncertainty and maintain options. Coordination between Program elements is necessary. Though storage and conveyance are focus issues for many stakeholders, there are many activities that need to occur in a linked manner prior to final decisions about permitting and constructing facilities.

Lester Snow explained that the Program expects Stage One of Program implementation to last roughly seven years. Actions will be undertaken in all Program elements. Lester Snow provided examples of the types of activities that might occur for Stage One in the Program elements.

### **Discussion Points**

- Mr. Buck inquired if the range for potential storage would be narrowed during Stage One. Lester Snow replied affirmatively.
- Vice Chair McPeak and Ms. Borgonovo summarized two options for the nature of the decision on the Preferred Alternative. The draft Preferred Alternative would include new facilities. However, a decision on constructing new facilities could be dependent on whether agreed upon criteria or thresholds were met. Another option is that by the end of the year a process for deciding upon the new facilities is agreed upon, with the actual decisions on facilities occurring later. Lester Snow stated that the final Programmatic EIR/EIS must include a Preferred Alternative. Options exist at this time as to what will be included in the Preferred Alternative. He referred BDAC members to the paper on the Nature of the Decision for examples of those options.
- Mr. Hildebrand commented that it would be difficult to "stage" a canal as it is an all or nothing endeavor. He expressed doubt about the ability of a canal to solve Delta problems and suggested that the Program proceed with Alternative Two and monitor to determine what, if any, changes in Delta problems occur.

## **3. WATERSHED MANAGEMENT STRATEGY (Judy Heath)**

### **Presentation**

Judy Heath (CALFED Program staff) reviewed the watershed management materials in the BDAC

mailing packet and reported on public comment provided at two recent public workshops on the Program's approach to watershed management. Support was expressed for new off-stream storage in upper watersheds, and recognition by the Program and other stakeholders of local entities as watershed stewards. Suggestions for inclusion in the Program's strategy include measures to prevent forest fires, vegetation management, flood control measures, protection of area-of-origin water rights, and soil conservation measures. Suggestions for potential roles for the Program include an information clearinghouse for watershed management efforts, a source of funds for watershed management actions and a source of technical assistance to foster local watershed management efforts and coordination. Ms. Heath then introduced several invited speakers.

Lynn Barris (Butte Environmental Council) commented that watershed management will help develop a constituency for a long-term solution to Bay-Delta problems, will help improve streamflows, and will prevent and reduce siltation. She noted that the environmental representatives on BDAC, while experts on the Delta, were not familiar with north state environmental issues. The environment in the north state would be affected by water transfers. She added that assurances are needed for implementation of Stage One. She suggested that a northern California watershed representative be added to BDAC.

Laurel Ames (Sierra Nevada Alliance) stated that an informed viewpoint is needed to guide watershed restoration and that restoration is necessary to provide clean water. High stakeholder involvement will create buy-in, public accountability and will ultimately result in the best on-the-ground projects. She urged the Program to move rapidly to provide more resources and staff for the watershed program element and suggested that within six months performance standards be formulated. On staged Program implementation, Ms. Ames commented that implementation must begin at the source and that demand should be recalculated prior to any additional export of water.

John Mills (Regional Council of Rural Counties) informed BDAC that the complexity of the institutional fabric for watershed management should be examined and changed as a means to further reinvestment in upper watersheds. At the strategic level, CALFED's watershed Common Program should include stakeholder involvement, be locally driven, have increased staffing and be given the same level of attention by BDAC and the Policy Group as the other Common Programs. He added that his organization will help with the CALFED solution as much as possible.

Joan Hemsted (Deer Creek Conservancy) urged the Program to respect the efforts underway which have made great effort to include varied stakeholders. She suggested that the Program could provide funding, technical assistance and organizational development support for local watershed entities appropriate to their various stages of development. CALFED should also provide linkage among locally-based watershed management efforts.

Val Connor (Sacramento River Watershed Program) supported the role of assistance provider for CALFED. She suggested that staff attend the meetings of the local watershed organizations. Additionally, the Program should provide funding for start-up groups, information on other funding sources, funding for monitoring, assistance with resolving issues under federal jurisdiction such as abandoned mines, and facilitation to resolve watershed issues.

Bob Allen (Shasta-Tehama Bioregional Council) acknowledged the far-reaching impact of the CALFED Program. A solution should be equitable to upper and lower watersheds as well as to those who receive exported water. The watershed management strategy must address overstocked forests and catastrophic fire. Doing so will affect the timing and yields of streamflow. It should also protect area-of-origin water rights. The Program needs to provide secure funding for watershed management prior to construction of facilities.

Burt Bundy (Sacramento Landowners Association) commented that private landowners have been integral to protecting Mill Creek. Incentives and education activities need to be part of the watershed strategy, including small block grants to help support volunteer efforts. Fuels management should be based on vegetation zones. Mr. Bundy expressed cautious optimism regarding the implementation of SB 1086.

John Lowrie (U.S. Natural Resources Conservation Service) stated that as part of refining the Watershed Common Program the program should be stakeholder driven, respect private property rights and recognize the relationship between local economies and natural resources. He suggested that elements of implementation include providing technical assistance and reliable funding.

Julie Tupper (U.S. Forest Service) stated that watershed management is a keystone focus for the Forest Service nationwide. Within this region, the Forest Service has created the Sierra Nevada Conservation Strategy and anticipates working in partnership with all organizations to protect water supply and quality.

#### **Discussion Points**

- Vice Chair McPeak commented that the Program will need to strike a balance on siting future meetings sponsored by the Program. She added that performance standards should be defined and that stakeholders be included in such an effort.
- BDAC member Steve Hall noted that the effort of Sacramento Valley and northern California interests to come together to solve problems is remarkable. He urged the Program to attend meetings of local entities. He suggested that the Program might benefit from convening a group to explore working with landowners.
- Mr. Pyle asked if the Program has examined weather modification as part of watershed management. Chair Madigan indicated that an answer was not available at the present time.
- Ms. Redmond cited examples of landowner cooperation to achieve water supply objectives in other states. The watershed management strategy could address grazing and farming practices more extensively.
- Mr. Buck commented that an argument supporting watershed management could be made. The benefits and avoided costs would need to be quantified.
- BDAC member Howard Frick asked if there was consensus on converting chaparral to grass. No information was available.

- Ms. Davis commented on the impressive level of involvement in watershed management and noted that such involvement was an affirmation of the desirability of elevating watershed management to a Common Program. She noted that given the nature of the upcoming decisions, it is important to do this Common Program well including providing technical assistance to local efforts.
- Ms. Borgonovo announced the next meeting of the Ecosystem Restoration Work Group on May 26th and noted that local watershed groups had been invited.

### **Public Comment**

- Linda Cole (Cherokee Creek Watershed Group) explained that her organization is pleased with the direction of the water transfers program. She recommended that the impacts of transfers on the source areas be examined carefully. This may require re-examining the amounts available to be transferred.
- Kristen Carter (Chico) questioned how the Program intends to take a "bottoms up" approach to watershed management, particularly in light of the small amount of funding that watershed groups received during the 1997 Restoration Coordination funding cycle. She suggested that the Program not rely on an "outcomes" emphasis in the watershed management program, in part because what local entities need is funding for coordination activities. She urged CALFED staff to attend local meetings and include northern California persons in CALFED processes.
- Michael Jackson (Plumas County) commented that the division between upper and lower watersheds is arbitrary and sends a signal that the upper watershed areas are less important to CALFED.
- Richard Johnson (Redding) commented that as yields increase due to watershed management activities, downstream flood protection needs will also increase.
- Carl Weidert (Sacramento Provincial Advisory Council) stated that the Council is attempting to develop landowners standards in the Clear Creek watershed.
- Steve Evans (Friends of the River) commented that there is concern about the impacts of techniques such as vegetation removal to increase streamflow. He handed out a summary of information regarding vegetation removal and streamflow yields produced by the Pacific Rivers Council.
- Supervisor Nancy Huffman (Modoc County) recommended that federal regulations be changed to allow for locally-based stewardship contracts. Presently, the U.S. Forest Service regulations are biased against this.
- Tom Stokely (Trinity County Planning Department) commented that the Trinity River watershed should be included in the Problem Scope map as it provides 1 million acre-feet to the Sacramento River system. Funding for watershed management activities should be allocated to this area.



- Dennis Fox commented that adaptive management is trial-and-error by another name. He recommended that independent project review, compliance checking, and evaluation several years after projects are completed be part of the program.

BDAC member Roger Fontes asked if the Program was suggesting a more proactive role for CALFED with regard to watershed management. Lester Snow replied that based on public comment, the Program intends to proactively coordinate between agencies and intends to provide funding for watershed management activities. The Trinity River watershed will likely be included in these efforts. BDAC member Robert Meacher commented that it was gratifying to see increased attention being paid to watershed management by the Program.

Mr Graff circulated an information sheet on projected facilities costs which he said would come up under discussion about the proposed water bond.

#### **4. PUBLIC COMMENT**

No general comments were submitted.

#### **5. CHAIR'S REPORT (Mike Madigan)**

Following lunch, the Chair reminded BDAC members that information regarding conflict-of-interest matters was provided in their meeting folders.

Chair Madigan informed BDAC members that the Restoration Coordination 1998 Solicitation for Proposals is now being circulated. Any questions on the Request should be submitted by June 1st. A public workshop will be held in Sacramento on June 2nd.

Mary Selkirk (CALFED Program) announced that BDAC's October meeting is re-scheduled to October 29th. In June, a tour for BDAC is scheduled for the 17th. The meeting of the Council will be on June 18th in Fresno.

Mr. Graff inquired if staff would be testifying at the upcoming hearings on the proposed 1999 state budget. Lester Snow answered that it was unlikely.

#### **6. NORTHERN CALIFORNIA ISSUES OF CONCERN**

##### **Presentation**

Chair Madigan introduced the first panel of invited speakers who were addressing the topic "Environmental and Economic Geography of Northern California".

Tib Belza (Northern California Water Association) stated that member agencies irrigate 1.5 million acres and that approximately 20% of the economy within NCWA's service area is derived from agriculture. The predominant crop is rice. Groundwater resources are not uniform throughout the valley. He added that many Sacramento Valley agencies hold senior water rights.

Don Bransford (Glenn-Colusa Irrigation District) covered issues related to the Endangered Species Act, groundwater supplies and flood control. He informed BDAC that 20 listed or potential species live in the

valley. Projects to protect anadromous fish have been undertaken on 75% of the water diversions in the valley at a cost of \$100 million of which up to 25% of the cost has been borne locally. There is a need to evaluate the effectiveness of fish screens as the point of diminishing returns may have been reached. Groundwater is a sensitive topic in the region and as a result counties are formulating groundwater management plans and some are attempting to regulate groundwater resources. In general, there is a suspicion of CALFED. On the topic of flood control, conflicts continue between the need for levee improvements and for habitat restoration. He noted that water rights are vested with local districts and not with individuals, therefore user-initiated water transfers are not supported. He recommended that the districts should control water transfers and that the transfer procedures need to be streamlined. Additionally, third party impacts can be addressed. He urged the Program to continue to support area-of-origin protections.

Andy Hitchings (DeCuir & Somach) provided a synopsis of the water rights system in the state and its purposes. He cited several state laws protecting area-of-origin rights. Additionally, he reviewed federal and state judicial actions as well as quasi-judicial responsibilities of the State Water Resources Control Board to protect these rights. He commented that the region will not be supportive of future storage and conveyance facilities if protection of area-of-origin rights is ignored.

Bill Gaines (California Waterfowl Association) described the importance of the Central Valley to migratory and resident waterfowl. He noted that only 350,000 acres of suitable habitat remains of the five million acres available prior to settlement of the valley. He referred to the North American Waterfowl Management Plan and the Central Valley Habitat Joint Venture as measures to protect and improve waterfowl habitat. He added that the Central Valley Project Improvement Act (CVPIA) was another measure of protection. He noted that most of the habitat enhancement targeted for agricultural lands will be undertaken in the Sacramento Valley because of the presence of near year-round water supply.

Richard Golb (Northern California Water Association) commented that if the Bay-Delta problems are not resolved by the CALFED process the likely outcome will be economic and environmental deterioration. The solution must be consistent with area-of-origin rights. It should include a balanced program for ecosystem restoration that provides assurances to landowners, particularly to those with investments in fish screens that could be threatened by river meander. Any new surface storage should address flood control concerns and future water needs.

At this time Chair Madigan announced the arrival of Senator Maurice Johannessen. Sen. Johannessen reviewed the CALFED Solution Principles and commented that several difficulties exist in the CALFED planning process that need to be addressed. He added that the issue of good quality drinking water is a real one for southern California. He informed BDAC that the Senate Select Committee on the CALFED Program is currently holding hearings and will issue a report in August. It is important to identify new sources of water and analyze the costs and third party impacts of developing that supply. He expressed doubt that there would be political support in the north state for an isolated conveyance facility and that such a facility would probably not solve the Delta's problems.

### **Discussion Points**

- Mr. Fontes asked Mr. Hitchings if any use is not considered beneficial under water rights law. Mr. Hitchings replied that if a use is excessive, then it is considered to not be beneficial.
- Ms. Notthoff congratulated the Waterfowl Association with getting successful implementation of a portion of the CVPIA.
- Mr. Dunning asked Mr. Hitchings if water agencies were seeking further clarification about previous judicial decisions on area-of-origin protections, which had limited the protections to municipal and agricultural uses. Mr. Hitchings and Mr. Golb replied that on-the-ground solutions were desired rather than new legislation and that the expectation is that those who agree to implement the CALFED solution will honor these protections.
- Mr. Raab inquired about how many acre-feet are associated with pre-1914 water rights. Mr. Bransford explained that the amounts that are used are those stipulated in settlement contracts and would continue to be so until the Sacramento River is adjudicated. He indicated that these amounts are different from an amount that a District might claim as water of right. Mr. Gold added that more than three million acre-feet are attributable to pre-1914 water rights.
- Vice Chair McPeak inquired about the relationship between waterfowl use in the Central Valley, the Delta and San Francisco Bay. She also noted that the Waterfowl Association is trying to protect remaining wetlands and restore others. Mr. Gaines replied that there is a great deal of movement of waterfowl between the Central Valley and the Bay-Delta. He explained that the values of certain types of restored wetlands (tidal for example) are less for waterfowl than those provided by seasonal managed wetlands. If the Program is aiming to restore the integrity of the ecosystem it must address the needs of terrestrial species in addition to aquatic species.
- Ms. Davis stated that BDAC needs to know the technical assumptions underlying the impact analysis, so that any adjustments can be made prior to release of the revised draft EIR/EIS.

### **Presentation Continued**

Chair Madigan introduced the second panel of invited speakers addressing the topic "Northern California Issues".

Richard Dickerson (Supervisor, Shasta County) informed BDAC of the Regional Council of Rural Counties desired outcomes from the CALFED process. These include: securing clean, affordable and reliable water supply for the region; affirmation of area-of-origin protection; watershed restoration including in areas above dams; reduced fuel loads; new surface storage; and local control and ongoing protection of groundwater.

Charles Willard (Supervisor, Tehama County) addressed groundwater concerns in the region. Groundwater data and analysis are lacking, especially information on recharge rates. As a result, strong concern exists about developing conjunctive use of groundwater resources that will supply water for export. He noted that water, including groundwater, is an input to the agricultural economy and is not a commodity. Reduced water results in significant and harmful third party impacts which should be

prevented or, at a minimum, mitigated. He distributed a paper on groundwater prepared by seven northern California counties. In closing, he noted that local control of groundwater resources must be part of the CALFED solution.

Brent Hastey (Supervisor, Yuba County) explained that Yuba County has successfully participated as a source area for water transfers. It is a conjunctive use project to which users in Yuba County have first rights. Third party impacts have not occurred and the proceeds have funded needed improvements and environmental restoration. As part of the CALFED solution, transfers should only occur when northern California users have priority access to those water supplies.

Michael Jackson (Regional Council of Rural Counties) expressed surprise over the proposed finance framework which is based on a benefits received basis and does not include payment for past damages. He noted that past experience has been that downstream water users prosper when facilities are built and upstream source areas do not. Addressing reinvestment in upper watersheds, he noted that the region does not have the financial resources to undertake the scale of watershed management and restoration that is needed. He added that a deal-breaker for the CALFED solution is the proposed 15,000 cfs fish screen for the isolated conveyance facility in Alternative Three. Performance of the new screens at Clifton Court Forebay should be analyzed first before this proposal is taken seriously.

Sue Sutton (Family Water Alliance) noted the competing demands on water supplies. In addition to the points raised by Mr. Dickerson, she suggested that a total cap on exports should be agreed upon and enforced. She added that the unreliability of water supply is affecting the availability of credit for agricultural operations in the region. Additionally, she noted that proposed ecosystem restoration actions don't take into account on-the-ground circumstances. She emphasized that restoration actions should rely on the actions of private property owners and reminded BDAC members of the success that has occurred in screening small irrigation diversions.

Tom Nelson (Sierra Pacific Industries) informed BDAC members of the environmental and water supply improvements that can result from managing forest systems in upper watersheds. Reinvestment in upper watersheds will also benefit local economies through operation of bio-mass energy plants and provide an ongoing supply for small sawmills.

Bill Carlson (Wheel-a-Brator Shasta Energy Co.) commented that the economics of producing electrical energy using biomass have changed as a result of electrical utility restructuring. He suggested that hydroelectric generators might pay for tree thinning. The additional water supplies that result from tree thinning could be purchased by downstream water users and the tree biomass could be sold to biomass energy producers and to mills to generate electricity.

Peter Schmidt (Ducks Unlimited, Inc.) expressed concern about the potential loss of seasonal managed wetlands which are now associated with agricultural lands and are important to bird populations.

Jim Chatigny (Nevada County Irrigation District) noted that water supplies in the mountain counties are not keeping pace with population growth in those areas. Additionally, these areas need water to meet public trust obligations within their own localities and for local economic purposes. He suggested that partnership with water importers is necessary to construct new storage facilities.

Leah Wills (Plumas Corporation) commented that through actions like meadow restoration water yields can be increased, thereby increasing water supply reliability. Communities in the mountain areas are seeking to avoid "boom/bust" economic conditions. Through stabilizing the funding for labor for restoration activities both source areas and downstream users benefit.

#### **Discussion Points**

- Mr. Fontes asked Mr. Carlson if the biomass energy industry is seeking a subsidy. Mr. Carlson replied that the industry can not afford to conduct forest thinning, so the industry is looking for partners who will mutually gain from thinning and energy production activities. Mr. Jackson added that with forest density at its present increased amount over natural conditions the rate of evapo-transpiration has risen significantly.
- Mr. Hildebrand asked if there were reliable ways to provide assurances. Mr. Jackson replied that it was unlikely. However, the changing nature of the stakeholders involved in the CALFED process is a positive sign. A significant step would be the return of water to the Trinity River and El Dorado regions.

#### **Presentation Continued**

Chair Madigan asked the final two invited speakers to come forward.

Steve Evans (Friends of the River) passed out a brochure produced by his organization detailing concerns with the proposals for new surface storage. Mr. Evans briefly summarized these concerns regarding the raising of Shasta Dam, new onstream storage on Cottonwood Creek, and the off-stream storage proposals. He commented that operation of an extended Tehama-Colusa canal is dependent upon the effective operation of new large fish screens and that the success of these facilities is unknown. He noted additional concerns regarding the expense of new storage facilities and the potential for off-stream sites to be located on earthquake faults.

Barbara Vlamas (Butte Environmental Council) expressed dismay over the lack of water conservation measures in the EIR/EIS. She called for maximization of existing water supply rather than developing new sources. Watershed restoration should be part of the CALFED solution as should the lining of irrigation canals. She noted that out-of-basin water transfers are short-term fixes for mismanagement elsewhere. The potential for destroying northern California resources and communities is high in what appears to be an effort to benefit corporate agriculture and urban sprawl. She urged that water subsidies be curtailed. Other concerns expressed by Ms. Vlamas were that market mechanisms do not protect non-market elements, that Sacramento Valley environmental interests should be included in CALFED processes and that project-level impact review is needed in addition to program level impact analysis.

#### **7. FINANCE: DEFINING THE PRINCIPLE OF "BENEFICIARIES PAY" (Zach McReynolds)**

Agenda item postponed.

#### **8. PUBLIC COMMENT**

- Chuck DeJournette (Red Bluff Fisheries Forum) commented that increased water exports with associated increases in water velocity may be harmful to fish spawning. New off-stream storage

may offset such impacts. He recommended serious consideration of the isolated conveyance facility as it would help to reduce fish kill at the south Delta pumps.

- Neil Evans commented that while agriculture is important to the economy, construction of new supply facilities should wait until water demand is reduced. In desert areas reclaimed water should be used for all non-potable uses. He stated that systemwide charges are fallacious and that the water users should pay for all benefits. The price of water is presently too inexpensive and therefore there is no incentive to conserve.

The meeting adjourned at 5:20 PM.

The following morning Vice Chair McPeak held a meeting on stakeholder involvement in the CALFED Watershed Management Program.

BDAC members and members of the public also went on a tour of Iron Mountain Mine and the Whiskeytown overlook to become informed on efforts to reduce drainage from the abandoned mine and restoration efforts in the Clear Creek watershed.